

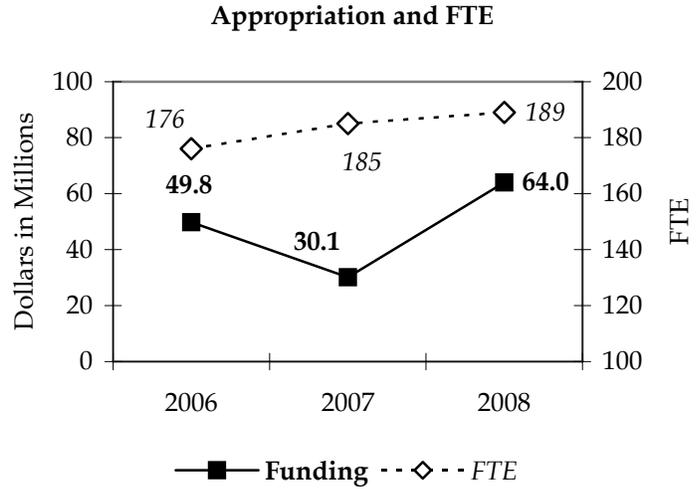
Departmental Management

Within Departmental Management (DM), the Salaries and Expenses account provides funding for the Secretary, Deputy Secretary, and support staff. DM develops and implements policy affecting U.S. and international activities as well as internal goals and operations of the Department. DM's functions include serving as the primary liaison with the executive branch, Congressional and private sector groups, and acting as the management and administrative control point for the Department. The Salaries and Expenses account contains Executive Direction that develops and implements Departmental policies and coordinates Bureau program activities to accomplish the Departmental mission. It also includes Departmental Staff Services that develop and implement the Department's internal policies, procedures, and other administrative guidelines.

Departmental Management houses the non-appropriated Advances and Reimbursements and Working Capital Fund accounts. The Advances and Reimbursements account provides a centralized collection source for special tasks or costs and their billing to users. The Working Capital Fund finances, on a reimbursable basis, Department-wide administrative functions that are more efficiently and economically performed on a centralized basis. Bureau funding is provided for centralized services such as legal advice, security, printing, building management, information technology, and procurement services.

Departmental Management also contains the Emergency Steel and Oil & Gas Guaranteed Loan Programs, enacted in FY 1999 to assist the steel, oil, and gas industries. The Department proposes the rescission of the loan subsidy for the Emergency Steel Guaranteed Loan Program since history indicates these funds are no longer required.

In FY 2008, the Department is seeking an increase to support increased outreach and interaction critical to the successful advancement of the Department's legislative agenda with Members of Congress. The decrease in resources requested for the HCHB Renovation and Modernization account reflects a new approach to these efforts. This account will fund activities that will focus on the most critical systems to address major building infrastructure deficiencies. The National Intellectual Property Law Enforcement Coordination Council account will be used to coordinate domestic and international intellectual property law enforcement among Federal and foreign entities to help protect intellectual property rights.



Summary of Appropriations

Funding Levels

	2006	2007	2008	Increase
Appropriation	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>(Decrease)</u>
Salaries and Expenses	\$46,860	\$30,060	\$58,693	\$28,633
HCHB Renovation and Modernization	0	0	4,300	4,300
National Intellectual Property Law				
Enforcement Coordinational Council	0	0	1,000	1,000
Emergency Steel Guar. Loan Program	0	(39,000)	(48,607)	(48,607)
TOTAL APPROPRIATION	46,860	(8,940)	15,386	(14,674)
Transfer from U.S. AID, 22 U.S.C.2392 (a)	3,268			

Budget Authority

Salaries and Expenses	49,778	30,060	58,693	28,633
HCHB Renovation and Modernization	0	0	4,300	4,300
National Intellectual Property Law				
Enforcement Coordinational Council	0	0	1,000	1,000
Emergency Steel Guar. Loan Program	0	(39,000)	(48,607)	(48,607)
TOTAL DISCRETIONARY BUDGET AUTHORITY	49,778	(8,940)	15,386	(14,674)

FTE

Salaries and Expenses	176	185	185	0
Reimbursable	54	60	60	0
HCHB Renovation and Modernization	0	0	0	0
National Intellectual Property Law				
Enforcement Coordinational Council	0	0	4	4
Working Capital Fund	565	590	590	0
Franchise Fund	20	21	21	0
Total FTE	815	856	860	4

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2007 Continuing Resolution			185	\$30,060
Less 2006/2007 Unrequested projects				(1,990)
Adjustment to support level in 2007 President's Budget				28,929
Adjustments to Base				
<u>Other Changes</u>				
2007 Pay raise		\$165		
2008 Pay raise		530		
Payment to the Working Capital Fund		157		
Change in Compensable Days		181		
Civil Service Retirement System (CSRS)		(14)		
Federal Employees Retirement System (FERS)		22		
Thrift Savings Plan		8		
Federal Insurance Contributions Act (FICA) - OASDI		14		
Health insurance		56		
Employees' Compensation Fund		141		
Travel				
Per Diem		7		
Mileage		1		
Rent payments to GSA		200		
Postage		2		
Printing and reproduction		1		
Other services:				
Working Capital Fund		323		
NARA		(1)		
General Pricing Level Adjustments:				
Rent payments to others		(1)		
Communications, utilities, and miscellaneous charges		5		
Other services		194		
Supplies and materials		5		
Equipment		22		
Subtotal, other cost changes			0	2,018
TOTAL, ADJUSTMENTS TO BASE			0	2,018
Less amount absorbed *				(463)
2008 Base			185	58,554
Program Changes			0	139
2008 APPROPRIATION			185	58,693

* Departmental Management will absorb a total of \$463,000 through reductions in contracting services.

Comparison by Activity

	2007 Currently Avail.		2008 Base		2008 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Executive Direction	88	\$14,527	88	\$24,050	88	\$24,189	0	\$139
Departmental Staff Services	97	18,571	97	34,504	97	34,504	0	0
TOTAL DIRECT OBLIGATIONS	185	33,098	185	58,554	185	58,693	0	139
ADVANCES & REIMBURSEMENTS								
COMMITTS	7	216,884	7	200,000	7	200,000	0	0
GSA Rent	0	31,465	0	32,220	0	32,220	0	0
Other	53	27,974	53	28,449	53	28,449	0	0
Total Reimbursable Obligations	60	276,323	60	260,669	60	260,669	0	0
TOTAL OBLIGATIONS	245	309,421	245	319,223	245	319,362	0	139
FINANCING								
Unobligated balance, start of year (Direct)		(3,038)						
Unobligated balance, start of year (Reimbursable)		(16,884)						
Offsetting collections from:								
Federal funds	(60)	(259,439)			(60)	(260,669)		
Subtotal, financing	(60)	(279,361)			(60)	(260,669)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	185	30,060			185	58,693		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Executive Direction	88	\$24,050	0	+\$139

The Office of Legislative and Intergovernmental Affairs (OLIA) request of \$139,000 above the base will fund two of the 11 full-time equivalents (FTE) authorized in FY 2007. The \$1.49 million in base funding is insufficient to fully fund the 11 FTEs, which hampers OLIA's ability to conduct its critical outreach to and interaction with Members of Congress, congressional staff, governors, mayors and other elected officials.

Appropriation: HCHB Renovation and Modernization

Summary of Requirements

	Summary	
	<u>FTE</u>	<u>Amount</u>
2007 Continuing Resolution	0	\$0
Adjustment to support level in 2007 President's Budget		18,000
2008 Base	0	18,000
Program Changes	0	(13,700)
2008 APPROPRIATION	0	4,300

Comparison by Activity

	2007 Currently Avail.		2008 Base		2008 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
HCHB Renovation & Modernization	0	\$0	0	\$18,000	0	\$4,300	0	(\$13,700)
TOTAL DIRECT OBLIGATIONS	0	0	0	18,000	0	4,300	0	(13,700)
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0	0	18,000	0	4,300	0	(13,700)

Highlights of Program Changes

	Base		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
HCHB Renovation and Modernization Project	0	\$18,000	+0	-\$13,700

This program level of \$4.3 million, to be made available until expended, will provide for renovation of internal HCHB space during the GSA renovation. This investment provides a secure space to move employees during the sixteen-year renovation.

The Department has worked with the General Services Administration to develop an eight-phase solution to address major building infrastructure (mechanical, electrical, plumbing and fire alarm.) The reduction in the FY 2008 request reflects the Department's focus on its most critical systems. DOC will fund the moves of employees each year while GSA will update, replace and renovate the major systems.

Appropriation: National Intellectual Property Law Enforcement Coordination Council

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2007 Continuing Resolution	0	\$0
Adjustment to support level in 2007 President's Budget	4	990
<u>Other Changes</u>		
2008 Pay raise	\$8	
Change in Compensable Days	3	
Health insurance	1	
Rent payments to GSA	1	
General Pricing Level Adjustments:		
Communications, utilities, and miscellaneous charges	1	
Other services	6	
Subtotal, other cost changes	<hr/>	0 20
TOTAL, ADJUSTMENTS TO BASE	<hr/>	0 20
Less amount absorbed *		<hr/> (10)
2008 Base	<hr/>	4 1,000
Program Changes	<hr/>	0 0
2008 APPROPRIATION	<hr/>	4 1,000

* NIPLECC will absorb a total of \$10,000 through reductions in Other Services.

Comparison by Activity

	2007 Currently Avail.		2008 Base		2008 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
National Intellectual Property Law Enforcement Coordination Council	0	\$0	4	\$1,000	4	\$1,000	0	\$0
TOTAL DIRECT OBLIGATIONS	<hr/> 0	0	4	1,000	4	1,000	0	0
REIMBURSABLE OBLIGATIONS	0	0	0	0	0	0	0	0
TOTAL BUDGET AUTHORITY / APPROPRIATION	<hr/> 0	0	4	1,000	4	1,000	0	0

Operating Fund: Working Capital Fund

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2007 Operating Level under the Continuing Resolution			590	\$135,889
Adjustment to support level in 2007 President's Budget				2,838
Adjustments to Base				
<u>Other Changes</u>				
2007 Pay raise		\$357		
2008 Pay raise		1,439		
Change in Compensable Days		499		
Civil Service Retirement System (CSRS)		(38)		
Federal Employees' Retirement System (FERS)		61		
Thrift Savings Plan		11		
Federal Insurance Contributions Act (FICA) - OASDI		58		
Health insurance		214		
Travel:				
Mileage		4		
Per Diem		23		
Rent payments to GSA		262		
Printing and reproduction		6		
Postage		5		
Other Services:				
Electricity		756		
GSA Steam Bill		317		
Commerce Business System		(608)		
General Pricing Level Adjustment:				
Communications, utilities, and miscellaneous		4		
Other services		624		
Supplies and materials		31		
Equipment		72		
Subtotal, other cost changes			0	4,097
TOTAL, ADJUSTMENTS TO BASE			0	4,097
2008 Base			590	142,824
Program Changes			0	0
2008 OPERATING LEVEL			590	142,824

Comparison by Activity

REIMBURSABLE OBLIGATIONS	2007 Currently Avail.		2008 Base		2008 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
General Counsel	180	\$32,000	180	\$32,041	180	\$32,041	0	\$0
Chief Information Officer	31	14,650	31	14,949	31	14,949	0	0
Public Affairs	12	2,195	12	2,261	12	2,261	0	0
Departmental Staff Services	367	102,754	367	93,573	367	93,573	0	0
TOTAL REIMBURSABLE OBLIGATIONS	590	151,599	590	142,824	590	142,824	0	0
FINANCING								
Unobligated balance, start of year		(12,872)						
Offsetting collections from:								
Federal funds	(590)	(138,727)			(590)	(142,824)		
Subtotal, financing	(590)	(151,599)			(590)	(142,824)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Direct Cost by Office

Offices	2008 Estimate	
	<u>FTE</u>	<u>Amount</u>
Human Resources Management	49	\$15,837
Civil Rights	14	2,401
Financial Management	47	15,155
Security	123	26,204
Administrative Services	104	27,048
Acquisition Management	28	6,633
Management and Organization	2	295
Subtotal, Departmental Staff Services	367	93,573
Chief Information Officer	31	14,949
General Counsel	180	32,041
Public Affairs	12	2,261
Total Working Capital Fund	590	142,824

Distribution by Bureau

Bureaus	FY 2008 <u>Amount</u>
Office of the Secretary	\$10,923
Office of Inspector General	1,874
Economic Development Administration	2,582
Bureau of the Census	25,531
Economic and Statistical Analysis	3,058
International Trade Administration	31,306
Bureau of Industry and Security	8,717
Minority Business Development Agency	2,384
National Oceanic and Atmospheric Administration	35,165
U.S. Patent and Trademark Office	2,555
Technology Administration	1,100
National Institute of Standards and Technology	11,496
National Technical Information Service	563
National Telecommunications and Information Administration	4,153
Office of Computer Services	<u>331</u>
Total Commerce Bureaus	141,738
Other Agencies	<u>1,086</u>
Total	<u>142,824</u>

Appropriation: Emergency Oil and Gas Guaranteed Loan Program

Comparison by Activity

	2007 Currently Avail.		2008 Base		2008 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Guarantee Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Administrative Expenses	0	417	0	0	0	0	0	0
Subtotal, Discretionary Oblig.	0	417	0	0	0	0	0	0
Credit Reestimates	0	0						
TOTAL DIRECT OBLIGATIONS	0	417			0	0		
FINANCING								
Unobligated balance, start of year		(417)						
Unobligated balance, withdrawn		0						
Unobligated balance, end of year		0						
Subtotal, financing	0	(417)			0	0		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	0			0	0		

Appropriation: Emergency Steel Guaranteed Loan Program

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2007 Continuing Resolution		(\$39,000)
Adjustment to support level in 2007 President's Budget		39,000
Adjustments to Base		(48,607)
2008 Base		<u>(48,607)</u>
Program Changes		<u>0</u>
2008 APPROPRIATION		<u>(48,607)</u>

Comparison by Activity

	2007 Currently Avail.		2008 Base		2008 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Guarantee Loan Subsidy	0	\$0	0	\$0	0	\$0	0	\$0
Administrative Expenses	0	1,530	0	0	0	0	0	0
TOTAL OBLIGATIONS	<u>0</u>	<u>1,530</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FINANCING								
Unobligated balance, start of year		(50,137)				(48,607)		
Expired balances lapsing		0						
Unobligated balance, end of year		<u>48,607</u>				<u>0</u>		
Subtotal, financing	<u>0</u>	<u>(1,530)</u>			<u>0</u>	<u>(48,607)</u>		
TOTAL BUDGET AUTHORITY / APPROPRIATION	<u>0</u>	<u>0</u>			<u>0</u>	<u>(48,607)</u>		

Highlights of Program Changes

In FY 2008, the Department proposes rescinding \$48.6 million from this account, as the history of this program indicates these funds are no longer required. This rescission would eliminate the loan subsidy for this program.

Since FY 2002, the number of serious loan applications received by the board has significantly decreased. The FY 2006 Appropriations Act extended the authority for the Emergency Steel Loan Guarantee Program to December 31, 2007; however, the extension of loan authority is not expected to increase the flow of loan applications. The last loan guarantee was made in FY 2003.

DM Performance Measures

Departmental Management performance measures monitor the Department’s progress in providing policy oversight and administrative support services, which represent the bulk of DM’s activity. These measures are closely aligned with the government-wide management initiatives established in the President’s Management Agenda.

The following table shows the measures that DM uses to gauge its performance. A more detailed description of these goals and measures is in the DM section of the Department of Commerce budget.

Performance Goals and Measures

(Dollars reflect obligations in Millions)

	2006 Actual	2007 Estimate / Target	2008 Estimate / Target
Goal 1: Identify and effectively manage human and material resources critical to the success of the Department’s strategic goals.	\$56.3*	\$38.3	\$69.6
	<u>REPORTABLE CONDITIONS:</u>		
	(1) NIST Construction-in-Progress – Based on corrective actions taken by NIST, the auditors removed NIST's construction-in-progress account monitoring as a reportable condition (RC) for the FY 2006 audit.	Eliminate any Significant Deficiency (formerly "Reportable Condition") within one year of the determination that there is a Significant Deficiency. Complete internal control documentation review. Complete FY 2007 A-123 assessment of internal controls. Migrate the Commerce Business System (CBS) to an all Web-based architecture by the end of FY 2007 to ensure the useful life of CBS through 2012.	Eliminate any Significant Deficiency (formerly "Reportable Condition") within one year of the determination that there is a Significant Deficiency. Complete FY 2008 A-123 assessment of internal controls.
Provide accurate and timely financial information and conform to Federal standards, laws and regulations governing accounting and financial management.	(2) IT Controls – Although the auditors acknowledged that progress was made towards resolving the IT controls RC, the RC will remain for FY 2006.		
	<u>FINANCIAL DATA/REPORTS:</u> Updated CRS financial data/reports were available for most bureaus by the 15 th of the month. Updated CRS financial data/reports were available for all bureaus by the 20 th of each month.		
Effectively use competitive sourcing.	In August, DOC operating units who met program criteria were asked to provide feasibility study schedules for FY 2007. Those studies were included in the Green Plan, submitted to OMB on 9/28/06.	Update and/or continue to implement FY 2006 plan to conduct feasibility studies of DOC commercial (and available) functions to determine potential new competitions/studies in the out years.	Maintain green rating on competitive sourcing initiative of President’s Management Agenda scorecard.
Obligate funds through performance-based contracting.	For October 1, 2005 through September 30, 2006, 30% of eligible service contracting dollars.	40% of eligible service contracting dollars.	40% of eligible service contracting dollars.
Obligate contracts to small businesses.	48% of contracts.	48% of contracts.	48% of contracts.

* This dollar amount has been updated as of December 2006 (after the Performance and Accountability Report for FY 2006). Does not include internal reimbursables.

	2006 Actual	2007 Estimate / Target	2008 Estimate / Target
Acquire and maintain diverse and highly qualified staff in mission-critical occupations.	Throughout the year, conducted the following activities: Marketed job vacancies to 65 organizations through automated hiring system; developed and tested materials for training managers on OPM hiring flexibilities; provided consultation to hiring managers on using flexibilities to attract students and veterans; upgraded the automated hiring system and conducted workshops for managers on how to make better selections; completed training and developmental assignments for 90 employees participating in leadership development programs.	Improve recruitment strategies through more targeted recruitment activities; assist managers in making better selections through training and improvements to selection tools; further close skill gaps in workforce through training and development activities.	Improve recruitment strategies through more targeted recruitment activities; assist managers in making better selections through training and improvements to selection tools; further close skill gaps in workforce through training and development activities.
Improved management of information technology (IT).	Major IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10% and all national critical and mission critical systems are certified and accredited in accordance with the Department's IT security policy. Efforts continue to improve the quality of the certification and accreditation processes and documentation.	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10% and all systems are certified and accredited in accordance with the Department's IT security policy, with acceptable quality documentation in place.	IT investments under development have cost/schedule overruns and performance shortfalls averaging less than 10% and all systems are certified and accredited in accordance with the Department's IT security policy, with acceptable quality documentation in place.

Note: Funding levels reflect direct and external reimbursable funding. Funds for the Working Capital Fund and the Franchise Fund are appropriated to bureaus, and do not appear in these DM totals.